

Alexander L. Zivich, East Chicago, Ind., in place of F. S. Dubczak, deceased.
Lloyd Goodwin, Edwardsport, Ind., in place of M. F. Shepard, retired.
J. Clyde Garretson, Roanoke, Ind., in place of H. G. Shearer, deceased.

IOWA

R. Garth Mann, Dallas Center, Iowa, in place of L. E. Myers, resigned.
James C. Overholtzer, Grand River, Iowa, in place of A. A. Daughton, retired.
E. Glenn Kennedy, Lewis, Iowa, in place of H. W. Cohrs, resigned.
Delmar Armstrong, Pomeroy, Iowa, in place of C. E. Hudson, retired.

KANSAS

Lynn C. Hill, Goddard, Kans., in place of M. E. Carpenter, retired.
Alvin E. Scranton, Hill City, Kans., in place of Marie Mildreter, resigned.
Robert L. Roberts, Kansas City, Kans., in place of J. F. Coyle, deceased.
John W. Walker, Udall, Kans., in place of W. H. Lawrence, transferred.

KENTUCKY

William Clyde Sanders, Burnside, Ky., in place of V. L. Stigall, removed.
Perry M. Day, California, Ky., in place of C. F. Nordwick, retired.
Elizabeth G. Keeling, Willisburg, Ky., in place of C. R. Ash, transferred.

MASSACHUSETTS

Glyndywr Oldfield, Avon, Mass., in place of F. H. Nolan, retired.
Raymond W. Wilson, Charlemont, Mass., in place of W. E. Hallahan, retired.
Daniel F. McAuliffe, Holden, Mass., in place of J. C. Kelleher, retired.
Edward R. O'Hara, West Peabody, Mass., in place of R. M. Durkee, retired.

MICHIGAN

Kenneth S. King, Cassopolis, Mich., in place of O. J. Breece, retired.
Oscar A. Ohman, Gladstone, Mich., in place of B. R. Micks, retired.
Evelyn A. Greenwood, Crosswell, Mich., in place of A. V. Morgan, transferred.
Carl T. Redding, North Adams, Mich., in place of B. F. Taylor, retired.
Ernest L. Hofacker, Otsego, Mich., in place of E. H. Snow, retired.
Albert W. Balfour, St. Clair, Mich., in place of J. C. Chamberlin, retired.

MINNESOTA

W. Stanley Sevaldson, Albert Lea, Minn., in place of H. C. Day, retired.
Henry J. Maertens, Wabasso, Minn., in place of T. C. Franta, resigned.

MISSISSIPPI

Tommy V. Dillard, Stonewall, Miss., in place of A. F. Zachry, retired.

MISSOURI

Joseph E. McDowell, Herculaneum, Mo., in place of R. G. Simpson, resigned.

Victor R. Munzlinger, Monticello, Mo., in place of R. L. West, retired.
James F. Barham, Portageville, Mo., in place of E. S. Workman, resigned.
Isaac McKay, Steele, Mo., in place of J. O. Weaver, resigned.

MONTANA

Helen C. Heringer, Lambert, Mont., in place of A. H. Klempel, resigned.

NEBRASKA

Harlan F. Zimmerman, Nelson, Nebr., in place of O. C. Myers, retired.

NEW JERSEY

Edna J. Grisso, Cedar Brook, N.J., in place of M. E. O'Rourke, retired.
John J. Gearhart, Convent Station, N.J., in place of M. M. McKenna, removed.
Mary L. Wuest, Mount Royal, N.J., in place of S. J. Billig, deceased.
Helen E. Carty, New Gretna, N.J., in place of N. P. Maurer, resigned.
Jesse W. Landon, White House Station, N.J., in place of W. W. Lance, retired.

NEW YORK

Alfred F. Cook, Baldwin, N.Y., in place of J. V. Mahony, retired.
Jesse T. Van Doren, Chaumont, N.Y., in place of H. G. Shepard, retired.
John A. Dilg, Jr., Hewlett, N.Y., in place of A. C. Longworth, retired.
George J. Schneider, Jr., Mill Neck, N.Y., in place of F. J. Donnelly, retired.
Francis P. Secor, Otego, N.Y., in place of R. A. Southard, declined.
Angeline M. Rose, Roosevelt, N.Y., in place of O. L. Healy, deceased.
Alda M. Decker, Tahawus, N.Y., in place of D. O. Miller, resigned.

NORTH CAROLINA

William R. Burleson, Marion, N.C., in place of J. A. Finley, deceased.
Charles M. Taylor, Winnabow, N.C., in place of J. J. Henry, resigned.

OHIO

Richard E. Hasenflue, Birmingham, Ohio, in place of L. A. Andrews, retired.
Raymond V. Korby, Burton, Ohio, in place of E. H. Lillibridge, retired.
Walter A. Luse, Loudonville, Ohio, in place of J. F. Church, deceased.
George E. Pfeil, Mount Sterling, Ohio, in place of J. L. Bricker, transferred.
Ralph C. Hershberger, Shanesville, Ohio, in place of E. C. Shie, retired.
Elsie L. Bitner, Vandalia, Ohio, in place of R. W. Beverley, deceased.

OKLAHOMA

Ida M. Doyle, Redrock, Okla., in place of J. B. Searle, retired.

OREGON

Juanita L. Hagen, Government Camp, Oreg., in place of O. T. Brunner, resigned.

PENNSYLVANIA

Gerald C. Stough, Grapeville, Pa., in place of H. W. Stough, retired.
Steve Olen, Lyndora, Pa., in place of M. S. Karlitsky, removed.
Ernest H. Wiltout, Maxatawny, Pa., in place of W. H. Fegely, retired.
Steward H. Hartman, Mechanicsburg, Pa., in place of G. C. Dietz, transferred.
Jack Thomas Beck, Jr., Monessen, Pa., in place of E. F. Januszewski, retired.
Robert W. Stahl, Mount Pleasant, Pa., in place of Clark Queer, resigned.
Lester I. Helst, Robeson, Pa., in place of B. M. Kintzer, retired.
Matthew Spiranac, Smock, Pa., in place of Bessie Havlichek, retired.

RHODE ISLAND

Raymond A. Piccolo, Bradford, R.I., in place of T. F. Eldridge, deceased.

SOUTH CAROLINA

Marguerite B. Carr, Meggett, S.C., in place of L. B. O'Conner, retired.
Hugh Morgan, Jr., Yemassee, S.C., in place of J. L. Sheppard, removed.

SOUTH DAKOTA

Ray H. Woods, Colome, S. Dak., in place of J. R. Knapp, retired.
Bertel W. Bertelson, Marvin, S. Dak., in place of M. P. Dunlop, removed.
John K. Farnen, Veblen, S. Dak., in place of A. A. Twite, transferred.

TENNESSEE

Howard F. Newell, Harrison, Tenn., in place of L. G. Wilson, resigned.

TEXAS

Harold S. Roberts, Andrews, Tex., in place of M. M. Burkett, retired.
Esma A. Kingston, Fluvanna, Tex., in place of J. M. Sims, resigned.
Clyde T. Hull, Milford, Tex., in place of L. A. Wright, retired.
Cecil A. McFarlin, Valley View, Tex., in place of O. L. Lowry, retired.

UTAH

Lorenzo Hawkins, Blanding, Utah, in place of D. J. Black, resigned.

VERMONT

Wilson L. Grant, Chelsea, Vt., in place of A. H. Bailey, deceased.

VIRGINIA

A. Lee Williams, Clover, Va., in place of W. E. Crews, transferred.
Evelyn H. Morgan, Green Bay, Va., in place of R. H. Morgan, deceased.

WASHINGTON

Kenneth G. Draper, Palouse, Wash., in place of W. A. Young, removed.

WEST VIRGINIA

Frances D. Rowe, Wolf Summit, W. Va., in place of J. L. Gerrard, resigned.

EXTENSIONS OF REMARKS

Address by Hon. Estes Kefauver, of Tennessee, Before the National Independent Dairy Association

EXTENSION OF REMARKS
OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Friday, April 17, 1959

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in

the CONGRESSIONAL RECORD a speech which I delivered last Tuesday before the National Independent Dairy Association, at its meeting in Washington, D.C.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS OF SENATOR ESTES KEFAUVER, DEMOCRAT, OF TENNESSEE, BEFORE NATIONAL INDEPENDENT DAIRY ASSOCIATION, WASHINGTON, D.C., APRIL 14, 1959

In asking me to come here today and talk to you, Mr. Daniel, your executive secretary and general counsel, told me that the meeting would mark the second birthday of the

National Independent Dairy Association. I eagerly accepted because, as I told him, I had always liked lousy and growing youngsters and that I had also always liked birthday parties.

Mr. Daniel is an old friend of mine. He is a native Tennessean, an excellent lawyer, and well qualified by education and experience to serve you. He is a real fighter, and small businessmen need real fighters.

I want to congratulate all of you on the magnificent progress you have made in such a short time. It speaks volumes for the management of independent dairies, for their objectives, and for their leaders. In the true spirit of the occasion, I most sincerely wish for you many happy returns of the day.

That this day will return most happily many, many times seems almost certain. Small businessmen in your industry, as in others, need to speak with the full power of all of their voices. You are that voice. That voice must speak not only with power but also with knowledge, with dignity, and with the public interest as a guide. Your voice has spoken in such a way. Continue as you have begun, and the years will not only add to your age but also to the respect in which you are held.

The unfair methods of competition and monopolistic practices prevalent in your industry, which you so diligently strive to remove, are fairly representative of those which continue to undermine the structure of the competitive system generally.

Such methods and practices, both as they prevail in your industry and in industry generally are, therefore, the concern of the Senate Judiciary Subcommittee on Antitrust and Monopoly, of which I have the honor of being chairman.

This subcommittee operates under a Senate resolution which authorizes it "to make a complete, comprehensive, and continuing study and investigation of the antitrust and antimonopoly laws of the United States and their administration, interpretation, operation, enforcement, and effect, and to determine and from time to time redetermine the nature and extent of any legislation which may be necessary or desirable for (1) clarification of existing law to eliminate conflicts and uncertainties where necessary; (2) improvement of the administration and enforcement of existing laws; (3) supplementation of existing law to provide any additional substantive, procedural, or organizational legislation which may be needed for the attainment of the fundamental objects of the laws and the efficient administration and enforcement thereof."

It was under this charter that in March 1958 the Antitrust Subcommittee made an investigation of milk marketing by the Adams Dairies in Missouri, Illinois, and Kentucky. The results of that investigation are contained in a report of the subcommittee dated November 15, 1958, entitled "Case Study of Incipient Monopoly in Milk Distribution."

The Adams companies sell milk to Safeway Stores, Inc., the Great Atlantic & Pacific Tea Co., and Kroger Co., and in concert with these three great chain organizations, Adams worked in various communities to capture the market.

The five main characteristics which made the Adams scheme of operation profitable to the two dairy companies and which were ardently supported by the chains were listed as follows:

1. An enforced differential between home delivery and chainstore sale.
2. A guaranteed markup to the chains.
3. The use of promotions to reduce the price.
4. The preference given to Adams by chains in display space and promotions.
5. Promotional allowances given to the chains.

The effect of these practices was to relegate the local dairies to supplying the ever-diminishing home delivery market and serving as secondary suppliers to those retailers which still suffered them.

The subcommittee noted that the effects of the Adams program "may have been to restrain trade or tend to monopoly and should be considered in the light of the Sherman Act, the Federal Trade Commission Act, and the Clayton Act, as amended by the Robinson-Patman Act."

Regarding the Sherman Act, the subcommittee stated that the evidence leaves the impression that Adams and the chains, acting in concert, used their position to impose on local markets by such area price discriminations a price structure injurious to competition and affording a continuing market

advantage over others. In this connection, the applicability of section 5 of the Federal Trade Commission Act should also be considered as well as the Clayton Act because of price discriminations and payments for promotional service involved in the Adams operations.

Stating that the record was being sent to both the Federal Trade Commission and the Department of Justice, the report concluded that a failure by these agencies to find any violation of existing laws would suggest that such laws are ineffective. Neither agency has yet reported that it has found any violation.

I am satisfied that many small businessmen, including some of you, are convinced that existing antitrust laws are inadequate both from the point of view of their coverage or interpretation and of their enforcement. The Antitrust Subcommittee is trying to do something about both of these aspects of the problem. As an example, I should like to tell you briefly what it is trying to do about price discriminations, one of the monopolistic practices present in the Adams case and which I know you are trying to destroy.

I refer, of course, to S. 11 which I introduced in the 84th and 85th Congresses and which I have again introduced in this, the 86th Congress, on behalf of myself and several colleagues.

This bill would amend the Robinson-Patman Act, enacted in 1936 to amend section 2 of the Clayton Antitrust Act which became law in 1914. In each of these three Congresses Representative WRIGHT PATMAN, of Texas, coauthor of the Robinson-Patman Act and a lifelong friend of small business, introduced a similar bill (H.R. 11) in the House of Representatives. By a special provision in the bill the existing law applicable to freight absorption is not altered or affected.

Briefly, the bill would change the statute as interpreted by the Supreme Court by providing that meeting in good faith the equally low price of a competitor is not a defense to price discriminations which are affirmatively proved by the Government to have the probable effect in any line of commerce of substantially lessening competition or tending to create a monopoly. Such meeting of a competitor's price would, however, continue to be an absolute defense to any price discrimination which was proved to have only the probable effect of injuring competition among competitors. The basic thought underlying the bill is that price discriminations which substantially lessen competition or tend to create a monopoly are as detrimental to the public interest when accomplished in good faith as they are when done in bad faith.

The problem of price discrimination is not new, but on the contrary is quite old. In economic theory and in observed business conduct, price discrimination is evidence of the existence and exercise of some degree of monopoly power. Prohibition of price discrimination in rate making was one of the necessary basic provisions of the first railroad regulatory statutes in 1887. Price discrimination was also a favorite weapon of the early trusts at which the Sherman Antitrust Act of 1890 was directed. The Sherman Act only became operative, however, when monopoly had been attained, and for that reason in 1914 Congress passed the Clayton Act, in section 2 of which it was sought to outlaw price discrimination before its anticompetitive effects were so serious as to bring the practice within the Sherman Act.

Section 2 of the Clayton Act prohibited discriminations in price in interstate sales of like goods where the probable effect in any line of commerce was (1) substantially to lessen competition, or (2) to tend to create a monopoly. The same section, however, provided that certain price discriminations were not prohibited and among them were

these made in good faith to meet competition and those on account of differences in quantity.

Efforts of the Federal Trade Commission to enforce section 2 of the Clayton Act turned out to be almost wholly ineffectual. One difficulty was that price discriminations which hurt only one or a few competing purchasers were held not to threaten substantial lessening of competition in a line of commerce. A second was that any difference in quantity was held to justify any difference in price even though there was no corresponding difference in the seller's costs. Finally, and of paramount importance, meeting of competition in good faith was so broadly interpreted as to be readily demonstrable, with the result that the exemption it provided was virtually as broad as the prohibition.

With an antiprice discrimination statute full of loopholes, the practice of price discrimination thrived as did its beneficiaries. Investigations by both the Federal Trade Commission and congressional committees showed, for example, that large chains not only paid prices materially lower than their small retail competitors but sometimes even lower than wholesalers. As a result the giant retailers prospered at the expense of their smaller rivals to the extent that during a relatively few years their sales increased from less than 2 percent to more than 25 percent of total retail sales.

The public interest demanded that something be done, and in response Congress in 1936 enacted the Robinson-Patman amendment to eliminate the defects in the antiprice discrimination section of the Clayton Act. The amended statute retained, of course, the prohibition of price discriminations where the effect in any line of commerce may be substantially to lessen competition or tend to create a monopoly, but it went further and also condemned price discriminations where the effect may be to injure competition with the seller, or the favored buyer, or the customers of either of them. Thus the law was amended so that individual competitors as component elements of a line of commerce were protected as well as the line of commerce itself. The old provision which wholly exempted discriminations on account of quantity was changed so as to permit differentials on account of quantity to the extent of the actual savings in cost to the seller. In this manner efficiency properly became the basis of quantity differentials.

Most importantly relevant to this discussion, section 2 of the Clayton Act as amended by the Robinson-Patman Act no longer exempted discriminations in price made in good faith to meet competition. The amendment introduced a new subsection 2(b) which provided that the seller could show that his lower price was made in good faith to meet the equally low price of a competitor merely for the purpose of rebutting the preliminary or prima facie case made against the seller by the Commission.

The meaning and effect of this change with respect to meeting competition is made clear by its legislative history. The Robinson-Patman Act was the product of a conference committee of the Senate and the House which reconciled the differences between the Robinson bill as passed by the Senate and the Patman bill as passed by the House. When introduced, neither of these bills even made any reference to meeting competition, but as passed by the Senate the Robinson bill contained the old exemption, and as passed by the House the Patman bill contained a section similar to the one finally adopted. In conference, the old exemption in the Senate bill was rejected, and the House version was approved in the language in which it was finally enacted. Referring to the old exemption incorporated in the

Senate bill, the report of the House conferees stated:

"This language is found in existing law, and in the opinion of the conferees is one of the obstacles to enforcement of the present Clayton Act. The Senate receded and the language is stricken. A provision relating to the question of meeting competition, intended to operate only as a rule of evidence in a proceeding before the Federal Trade Commission, is included in subsection (b)."

Referring to the new language, a report submitted by the chairman of the House conferees stated:

"It is to be noted, however, that this does not set up meeting of competition as an absolute bar to a charge of discrimination under the bill. It merely permits it to be shown in evidence. This provision is entirely procedural. It does not determine substantive rights, liabilities, and duties. They are fixed in the other provisions of the bill. * * * If this proviso were construed to permit the showing of a competing offer as an absolute bar to liability for discrimination, then it would nullify the act entirely at the very inception of its enforcement."

In 1945 the Supreme Court in the well-known *Staley* case had its first opportunity to interpret the meeting-competition proviso of the Robinson-Patman Act. In that case the Court affirmed a decision of the Federal Trade Commission which rejected the defense of meeting competition, and in doing so seemed quite clearly to indicate that the amendment had secured the results which Congress intended. This is the language the Court used:

"It will be noted that the defense that the pricing discriminations were made in order to meet competition is, under the statute, a matter of rebutting 'the Commission's prima facie case.' Prior to the Robinson-Patman amendments, section 2 of the Clayton Act provided that nothing contained in it 'shall prevent' discriminations in price 'made in good faith to meet competition.' The change in language of this exception was for the purpose of making the defense a matter of evidence in each case, raising a question of fact as to whether the competition justified the discrimination."

Despite this encouraging development in 1945, the law with respect to meeting competition as a defense to price discrimination is now back where it was prior to the enactment of the Robinson-Patman Act. For in 1951 the Supreme Court held in the *Standard of Indiana* case that the Federal Trade Commission was wrong in rejecting *Standard's* defense of meeting competition even where it had been shown that the discriminations had a substantially adverse competitive effect among distributors. Once again, then, meeting competition became an absolute defense to discriminations in price regardless of the magnitude of their anticompetitive effects among retailers and wholesalers. Moreover, the doctrine of the *Standard of Indiana* case seems to have been extended in subsequent decisions by lower Federal courts to the extent that it now appears likely that even the limitations indicated by the Supreme Court are of little if any substance.

As a result of these decisions, the Robinson-Patman Act has been seriously weakened. It now affords no real protection to competition at the wholesaler or retailer levels. The public interest in protecting competition at all levels has been subordinated to the individual manufacturer's or seller's private interest. The act has become largely a declaration of the right of sellers to discriminate in price to accommodate large buyers even though the injury to small buyers is so serious that competition in their line of commerce may be substantially lessened.

The public interest again demands that something be done to repair the damage. S. 11 is a moderate effort to do just that. The bill restricts but does not eliminate the availability of the defense of meeting in good faith the equally low price of a competitor. Where it is shown that the discriminations may merely injure competition between individual competitors, the defense continues to be absolute. Where, however, it is shown that the discriminations are so serious that their effect in any line of commerce may be substantially to lessen competition or tend to create a monopoly, the defense is eliminated.

Hence, if S. 11 becomes law a seller who finds it desirable to lower his price to one customer in order to meet in good faith the equally low price of a competitor may not have to lower his price to all competing customers or even to any of them in order to avoid an unlawful price discrimination. It is enough that he lower his price only to the extent necessary to prevent substantial lessening of competition or tendency to create a monopoly and not to the extent necessary to prevent injury to competition. The significance of this difference is that, under the bill, such a seller would not be obliged to lower his price to a customer like the one who sought damages from his supplier in a recent case. In that case the court held that the small discrimination complained of could not have substantially lessened competition or tended to create a monopoly, as was alleged, but at most could only have injured competition between the complaining customers and his competitors, as was not alleged.

S. 11 should be especially welcomed by manufacturers who see a threat to themselves in the establishment and growth of large and powerful buyers. Without the bill, suppliers, under the guise of meeting competition, will continue to vie with each other to satisfy the voracious and insatiable demands of large buyers for preferential prices. This implies not only the sacrifice of the many small buyers but the suppliers' dependence upon the few mass buyers.

Much has been said both by and on behalf of management about the difficulties of making decisions to comply with S. 11. I am confident that any such difficulties have been magnified by posing hypothetical situations which include imaginary horrors. True, S. 11 does not define with mathematical precision the white area in which meeting competition is a defense and the black area in which it is not, for precision of that kind is not possible in a moderate approach. It can exist only where there is either complete prohibition or unrestrained permission.

Being moderate in its approach, S. 11 naturally contains a small gray area where the white meets the black. To businessmen who are heedless, if there are any, this gray area will present no problem—they will view it as white and assume unnecessary risks. To businessmen who are timid, if there are any, this gray area will likewise present no problem—they will see it as black and accept needless restrictions. To businessmen who are prudent, as if there are any who are not, the shaded area will also present no problem—in the light of the facts in each case they will see a line running through it which will be drawn by their willingness to resolve any doubt by what they know to be the public interest. Just as it is easy to distinguish between being stumbled over and being kicked, so it should not be difficult to differentiate a price discrimination which may economically maim the many small merchants from one which will clearly fall short of having that result.

In the 84th Congress the measure passed the House by a vote of 393 to 3 but was not considered by the Senate because it was caught in the rush of the closing days of

the session when unanimous consent was required to bring it up.

In the 85th Congress the bill was reported to the Senate in modified form, but the Senate adjourned without having taken any action.

In the present Congress hearings have again been held on the bill, and the record is being prepared for the printer. We were fortunate in having your counsel, Mr. Daniel, testify on your behalf at these hearings in favor of the bill. The support of this organization was indeed welcome, and your position was forcibly presented by Mr. Daniel.

Above all else, we must not get discouraged in this battle for the preservation of our free competitive system, for it surely will be a never-ending one. With your help and support, and the assistance of all of the other good people in all industries and in all parts of the country, much can be accomplished.

Thank you for being so kind as to let me be your guest.

Federal Aid to Education

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Friday, April 17, 1959

Mr. MURRAY. Mr. President, on Monday, April 13, my distinguished colleague, the Senator from West Virginia [Mr. RANDOLPH], appeared before the Subcommittee on Education of the Committee on Labor and Public Welfare, of which I have the privilege of serving as chairman. Although I was unable to be present at that session, I have had the opportunity to read his statement; and I believe it is one of the best and most eloquent arguments for Federal aid to education which has been presented.

I ask unanimous consent that the full text of the Senator's statement be printed in the RECORD, so that all my colleagues will have the opportunity to read it. I congratulate my colleague from West Virginia on the cogency and eloquence of his presentation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JENNINGS RANDOLPH, DEMOCRAT, OF WEST VIRGINIA, BEFORE SUBCOMMITTEE ON EDUCATION, UNITED STATES SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE, ON S. 2, A BILL TO PROVIDE FINANCIAL ASSISTANCE FOR THE SUPPORT OF PUBLIC SCHOOLS BY APPROPRIATING FUNDS TO THE STATES TO BE USED FOR CONSTRUCTING SCHOOL FACILITIES AND FOR TEACHERS' SALARIES

Mr. RANDOLPH. Mr. Chairman, I appreciate this opportunity to come before you and your subcommittee to testify on the school support bill. You are to be commended, sir, for your persistent and devoted efforts in introducing this measure, and I am pleased to have been one of its early cosponsors.

Before discussing the evidence which substantiates the critical need for this legislation, I would like, Mr. Chairman, to address my comment to a point which has been raised by its opponents.

I refer to the often-voiced fear of Federal control, which follows inevitably—it is supposed—upon Federal aid to education. We

are all aware of the importance of the American custom of local responsibility and control of public education. But let us at least be clear in our understanding of the origins and the reasons for this tradition. Let us not be confused by the invocations of the rhetoric of the Founding Fathers, or raising the spectre of an omnivorous and power-hungry Federal police state.

Without going into historical detail we can acknowledge that the practice of local support for public education has been one of the fundamental marks of the American system from its outset. But let us also acknowledge that this practice was not based upon any hallowed principle of democratic idealism, but rather on the simple and understandable resistance of the citizens of one community to paying taxes for the education of the children of another.

The struggle for universal public education in America was not won overnight. The merchant and propertied classes resisted strongly the economic, political, and social ferment we associate with the Jacksonian period, and the chief tribute they won from the champions of public education was the principle of local support of the schools. The principle was thus motivated by self-interest as well as idealism.

But this is not to condemn it. Within the context of an agrarian society, a loose Federal structure, and the sectional jealousies and rivalries of the individual States, such a point of view is easily understandable. But, Mr. Chairman, it is important, when we listen today to the critics of Federal aid to public schools invoke some supposedly time-honored American tradition, to know that that tradition has nothing to do with the fear of Federal control.

On the contrary, in the field of higher education the practice of Federal support is almost as old as our tax-supported universities themselves. Three years from now the great land-grant colleges and universities of America will celebrate the centennial of the Morrill Act, which set aside Federal lands for the support of agricultural and engineering colleges. In 1862 Congress passed this epoch-making act, which for the first time established the policy of Federal aid, not only to the newer States but to the older ones as well—offering each State the proceeds from the sale of 30,000 acres of Federal land for each Member of its congressional delegation. The sole measure of Federal control in these colleges has been the supervision of the Reserve Officers' Training Corps established therein—hardly an example of a burgeoning police power of the national State.

In recent decades the Federal Government has entered the field of education in a variety of ways—the public schools built by the WPA in the 1930's, the tuition-payment program of the GI bill, and the grants-in-aid and the underwriting of research programs at many of our colleges and universities—in none of these has the Federal Government encroached upon the control of local authorities.

The threat of Federal control, Mr. Chairman, is a myth, and the fear of it is spun from fantasy and a misreading of our history.

The question, therefore, is not whether or not we shall have Federal control—but whether we shall have Federal aid—and if so, how much, what direction it will take, and how best to utilize it in a coherent manner to lift our public school system to the level that a thriving democracy demands and one that our young people deserve.

Senate bill 2 offers a significant contribution in alleviating two of the most critical problems in the educational scene—the inadequacy of teachers' salaries and the shortage of classroom space.

Let me refer first to the long-range problem of the shortage of classroom space. The figure of 142,000—representing our present classroom shortage—has been repeated so fre-

quently in recent discussions that we are likely to overlook the more enduring features of our problem.

For example, from 1780 to 1955 our population grew from 40 million to 165 million. During this same period, while our general population increased 4 times, our public school population increased approximately 80 times.

Under our present rate of population development the bulge of the future will press even more heavily on our already burdened facilities. The elementary school enrollment of 22 million of last year will rise to about 34 million by 1960-61. By 1969 our high schools will be flooded with 50 to 70 percent more students than they can now handle. By 1975 our colleges and universities will face a doubling and in some cases a tripling of enrollment. Now these are only the bare bones of statistics that comprise one aspect of the problem. There are others.

For one, there is the problem borne of the mobility of our society. We are a people on the go—34 million of us change our address every year, and there are long-term currents of movement to the North and West. Thus, the effects of education offered in a given school may be registered in a State far removed from where the education was acquired.

The quality of education in the United States is therefore a national issue, rather than a merely local one. And yet it is the only national problem that we have not attempted to solve on a national basis.

Let us turn now to a consideration of the shortage and recruitment of teachers. It is authoritatively estimated that in order to maintain the present student-teacher ratio, between one-third and one-half of all 4-year college graduates would have to enter school teaching in the next decade. Since only one out of five college graduates customarily enters school teaching, one can appreciate the magnitude of the problem involved.

Not only is the number of teachers inadequate, but the preparation of many of the present teachers is in need of improvement. According to the National Education Association, 33 percent of our elementary school teachers do not hold A.B. degrees, and more than 21 percent of all public schoolteachers have less than 4 years of college. A similar condition prevails, according to the NEA, at the college and university level, with the holders of doctor's degrees among full-time teachers having decreased by 25 percent since 1953-54.

The reasons are apparent: business industry, and government are out-bidding the teaching profession for the talents of many of its best qualified and most able men and women. Nor is it small wonder, when one observes that the average State salary of classroom teachers ranges from a high of \$6,400 to a low of \$3,070 per year. While in my own State of West Virginia the beginning salary for a teacher with a master's degree is \$3,060.

Now admittedly, we cannot reward, and I do not believe the American teacher expects to be rewarded, with the chauffeur and summer homes that we are told some of his and her Russian counterparts have at present. But we can and we must reward our teachers with salaries more consistent with their professional status and their dedication of purpose. The necessity for many of our teachers to have part-time supplementary jobs is, to put it in its mildest terms, inconsistent with the responsibility that a democratic society has placed upon them. Our teachers' salaries can and must be raised immediately and substantially if we are to attract able young men and women and retain those we have.

According to the Rockefeller Report, we spent, in 1955, a total of just under \$14 billion for public and private education at all levels—slightly more than we spent last year on alcohol and cosmetics. Against a gross national product of \$391 billion for that year our expenditures for formal education amounted to 3.6 percent. The same source estimates that by 1967 the increased demands that I referred to earlier will require an expenditure of \$30 billion, or 5 percent of an estimated gross national product of \$600 billion.

Such a sharp rise in expenditures calls for a determined departure from traditional methods of school financing. Historically, Americans have preferred to finance their schools at the local and State levels. But there has already been a shift of responsibility from the local and to the State level. In 1930 under 17 percent of the cost was borne by the State. In 1954 this had more than doubled to over 37 percent.

However, local and State tax systems in many instances are not adequate to the tasks, partly because they depend so heavily on the real property tax—where everywhere lags behind rising incomes and the increased cost of education, and partly because local and State governments are reluctant to raise taxes and thereby place their communities in an unfavorable competitive position with other States.

The problem is especially acute in such a State as West Virginia and some of the Southern States where great inequalities exist in the income of different school districts. And the same condition exists on a higher level in terms of the difference between the States in per capita income and the relative proportion of the tax dollar spent on education.

West Virginia, for example, with a per capita income in 1957 of only \$1,480, was spending \$218 a year for every child in school. From the total State revenues of \$285,996,653 the school received over 36 percent, leaving less than two thirds of every tax dollar for all the other State governmental services combined. Thus, if we were to try to match the per capita dollar expenditures of such States as New York or California we would more than exhaust our total revenue on schools alone.

According to figures compiled by the National Education Association, the average per pupil expenditure among the individual States ranges from a high of \$535 a year to a low of \$164, with a national average of \$340 per pupil.

This gross disparity in expenditure between our richest and our poorest States can be rectified only with Federal aid. For, to illustrate again by reference to my own State of West Virginia—even with proposed new tax levies and a statewide reappraisal of property, our school revenue per pupil would still be more than \$60 below the national average and approximately \$175 below that of New York State. Mr. Chairman, I reiterate, these inequities can be redressed only with Federal assistance. Let us not be deluded by the ideas of a century ago—ideas which at that time had some validity. For we are no longer a loose federation of quasi-independent States. We are a Nation of highly mobile people, a Nation in which the welfare of one section is inextricably involved with that of all. And as a Nation we have only one future—a future that will in substantial measure be determined by the degree of our devotion to the cause of strengthening our system of public education.

None of us is so naive as to believe that money alone will solve a deep-seated and pervasive cultural problem such as this. But the extent to which we will apply our financial resources is in part a measure of our purpose in other respects as well.

It is not encouraging, therefore, to note that we spend almost as much on alcohol and

cosmetics and more than twice as much on advertising as we do on education.

Such a disparity would indicate that as a society we are in need of fundamental and soul-searching reevaluation of our aims and values. And it is one of the sadder ironies of our time that this reexamination of education in a democracy has gained national support largely because of the educational achievements of a police state. As Dr. Robert Hutchins recently stated:

"History will smile sardonically at the spectacle of this great country getting interested, slightly and temporarily, in education only because of the technical achievements of Russia, and then being able to act as a nation by assimilating education to the cold war and calling an education bill a defense act.

"We might as well make up our minds to it. If our hopes of democracy are to be realized, every citizen of this country is going to have to be educated to the limit of his capacity. And I don't mean trained, amused, exercised, accommodated, or adjusted. I mean that his intellectual power must be developed."

In closing, Mr. Chairman, I would suggest—in keeping with the tenor of Dr. Hutchins' remarks—that we approach our duty here, not in the spirit of a cold war with Russia, but in the spirit of fulfilling our own destiny as a democracy.

This means that the fundamental issue in education as in government today is no less than the assessment of the basic values of a democratic society. The making of the image of what we want to be, the determination of the kind of greatness we hope to achieve—these are the choices that confront us now.

The kind of greatness that we produce in the years ahead will be nurtured by the values that we as a society cherish and transmit, in large measure, through our formal education system. And if we fail now, Mr. Chairman, to supply the means for the best system possible our children and grandchildren will have little cause to be grateful to us.

At the foundation of our values is the principle which more than any other distinguishes American culture from the older cultures of Europe and from the new totalitarian societies; that is, the extent to which we are guided by our faith in the dignity and integrity of the individual. This is the faith which states that man should live in the light of reason, be free to exercise his own moral choice, and develop to the full the latent possibilities within him.

As this faith is translated into the practical problems of our school system it presents a double-barreled challenge—the challenge of maintaining equality of opportunity for all while, at the same time, stressing the achievement of excellence for those capable of it. The challenge is to maintain both quantity and quality in education—to expand the one and improve the other.

Many people of late—laymen as well as professional educators—have posed the problem in terms of a choice between quantity and quality, a choice between equality and excellence.

I say that we have no choice. We must, if we would survive, have both.

We must have a generally informed citizenry capable of making intelligent decisions on matters of the public good. And we must have the highly trained specialists as well as the men and women of broad-gauge learning that our modern, complex society demands. This is the chief problem in the field of education before us.

The early and unanimous endorsement of S. 2 by this subcommittee, Mr. Chairman, will help significantly in providing the means to solve this problem. We must have an educational program to match our times.

A Long Look at China

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Friday, April 17, 1959

Mr. HUMPHREY. Mr. President, there is a great deal of concern in this country about the Communist economic offensive. Sometimes we think of Communist economic power exclusively in terms of the Soviet Union. Any calculations which leave out the tremendous actual and potential economic power of Red China are misleading and can be dangerous.

This point is well brought out in an excellent article by Representative CHESTER BOWLES, entitled "A Long Look at China," which appeared in the April 4, 1959, issue of the Saturday Evening Post.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A LONG LOOK AT CHINA

(By CHESTER BOWLES)

"China—there lies a sleeping giant. Let him sleep for when he wakes he shall shake the world."—Napoleon Bonaparte.

On April 20, 1958, in the province of Hunan, the Communist Chinese Government launched the world's first effort to establish pure communism on a nationwide scale.

The commune that was established there was to be the first of many similar organizations which would harness the energies of every man, woman, and child in rural China to the total service of the state.

It was named Welhsing, the Chinese word for sputnik, and Mao Tse-tung, chairman of the Chinese People's Republic, confidently stated that it carried potentialities for tomorrow's world as explosive as the Soviet thrust into outer space.

Four months later, on August 6, Radio Peking announced that the first stage of this extraordinary program had been completed. More than 500 million individuals belonging to 120 million households and representing 99 percent of the population of rural China had been organized into 26,000 communes.

"The attainment of communism in China," the announcement triumphantly concluded "is no longer a remote future event."

But in China, as elsewhere, old ways die slowly. On December 18, Radio Peking admitted that orders had been given to slow down the pace of rural regimentation. A breathing spell was needed, it was said, so that "alien class elements" could be purged, "skeptics and doubters" convinced, and local party leaders rid of their tendency to see "only things, not men."

The announcement added that Mao Tse-tung had asked to be freed from his post of national chairman so that he could "concentrate his energies on dealing with the direction of policy" and devote more time to his writings on Communist theory. His request had been granted. Mao would, of course, continue in his key post as head of the Chinese Communist Party.

This succession of announcements set off a whirl of speculation in the world capitals. Belgrade wondered if Mao's resignation might be due to differences with Khrushchev. New Delhi hoped that the slowdown in rural regimentation might indicate a new modera-

tion in Peking. Nationalist leaders in Taipei even suggested that civil war on the mainland might be in the offing.

But those who study Chinese Communist economic and political policy most objectively were inclined to dismiss such explanations as products of wishful thinking. In their view the two central questions posed by recent swings of the political pendulum inside China go far deeper:

1. Can Communist economics, which forged Russia into a modern industrial state in two generations, succeed in Asia, or do the totally different conditions which exist there doom Asian communism to failure?

2. Whether or not this program succeeds, what role is the "New China" likely to play in our future and Asia's?

These questions deserve urgent and thoughtful consideration by American policy makers of both parties. On their answers may depend in large measure the nature of tomorrow's world.

The one-fourth of mankind who live in China are among the toughest, hardest-working people on earth. By the time this year's American high-school graduates reach their thirtieth birthdays, China's population will have soared to 900 million men, women, and children.

Since the 1920's, most Americans have tended consistently to misjudge the strength, competence, and durability of the Chinese Communist leaders who now rule this vast expanse of land and people, an error which may be explained by our bitter disapproval of their policies.

In the first years following Chiang Kai-shek's retreat to Formosa in 1949 we looked on the new government in Peking as no more and no less than one more backward satellite of the Soviet Union.

When Red China began to emerge as a world force in its own right, our official pronouncements patronizingly promoted its government to the rank of junior partner in the Communist hierarchy.

Recently some American observers have veered to the other extreme. When reports indicated that it was Mao's influence, in 1958, that caused Nikita Khrushchev to take a tougher position in foreign affairs, they insisted that here was proof positive that the Chinese tail was now wagging the Soviet dog.

The actual relationship between Moscow and Peking remains obscure. We can assume that the balance of influence between the two is in flux, with each partner forced in various ways to accommodate itself somewhat to the ambitions and fears of the other.

But here is the important point: Moscow and Peking view our fast-changing world from rather different perspectives, and these differences may grow.

The men in the Kremlin rule a nation blessed with plenty of living space, plenty of natural as well as human resources and—they think—plenty of time.

Their military might, industrial power, and political influence have been growing with spectacular speed. They assume that Soviet power plus Communist ideology will ultimately add up to world domination.

Their task, as they see it, is to ride and exploit the revolutionary wave which they believe constitutes the future. They have Lenin's assurance that history is on their side, and they can see no reason to take chances.

In contrast, the Chinese Communists face appalling problems, which are now testing their political and economic theories under the most difficult conceivable conditions.

If the Peking government goes through with its present plan for rapid industrialization on the Soviet model, it may place an impossible burden on the rural Chinese economy, which must feed 650 million people and provide surplus agricultural products to help pay for critically needed imports.

If it seeks to encourage increased food production by appeasing the peasants, it will almost certainly be forced to abandon its Communist political objectives.

This, in a nutshell, is Peking's ultimate dilemma.

The system of pulling a whole nation up by its bootstraps, which worked in Russia at such heavy cost, may fail in China because the conditions there are almost totally different. The most important of these differences relate to land, food, and people.

The Soviet Union sprawls for nearly 10,000 miles across two continents. Like our American West, the vast, rich expanse beyond the Urals was opened up only in the last 200 years. It is still largely underdeveloped.

Before the coming of the Communists the Russian people had rarely known hunger. Indeed, before the outbreak of World War I Czarist Russia exported some 10 million tons of wheat each year.

Yet, even with this massive, built-in agricultural advantage, the Soviet experiment nearly collapsed during the 1930's for lack of food. If we are to understand the problems now facing the Communist regime in China, we must understand the reasons for this narrowly averted disaster.

During his early struggle for full control of the Kremlin, Stalin continued Lenin's relatively benevolent policies toward the peasants. With total political power securely in his hands, Stalin then turned to the speedy industrialization of the Soviet Union. This, he saw, would require the diversion of enormous quantities of food to the cities to feed the growing industrial population.

In a non-Communist country as potentially rich as Russia, this extra food production could be secured by offering the incentive of higher prices for agricultural produce and a corresponding improvement in rural living standards. But Stalin knew that he could not offer the Russian peasants this special measure of economic freedom without undermining the iron political discipline demanded by the revolution.

He responded to this dilemma with characteristic ruthlessness. Boldly scrapping Lenin's promises of independent land ownership and increasing opportunity for each peasant family, Stalin moved to mobilize all of rural Russia along tightly regimented political lines.

By the late 1930's almost every peasant family in Russia had been pressed into collective farms. All farm machinery was pooled. The number of dairy and meat animals was drastically reduced to save more grain for human consumption. Tightly administered controls forced the shipment of more and more agricultural produce to the cities. Although total farm production declined, the percentage reaching the industrial workers increased.

The short-term result of Stalin's rural program was an eruption into violence and repression without precedent in human history. The peasants resisted and were brutally crushed. Apparently reliable reports indicated that nearly 10 million died and millions more were shipped to Siberia. In a land with an unlimited agricultural potential, food production dwindled and the already meager living standards dropped abruptly.

For more than 20 years the Russian peasants were badgered and terrorized to increase their production. By setting low prices on agricultural products at the farm and charging high prices in the government-owned retail stores, huge profits were extracted from the peasants to produce more and still more capital for the rapid growth of industry.

Only a very small investment was made in rural development, and consumer goods were almost nonexistent. The Soviet Union lived

precariouly on its built-in food surplus, created not by communism but by nature.

In long-term results, however, this fantastic gamble paid off. Although the cost in human misery was staggering, Stalin's determination and the limitless potential of the Russian land enabled the Soviet Government to create a powerful industrial state in less than two generations.

Since World War II the annual rate of Soviet economic growth has been double our own. Only now, after 30 years of ruthless exploitation, are the first economic benefits beginning to trickle down to the patient Soviet peasants whose forced sacrifices made industrialization possible.

Now it is this Stalinist program that the Peking Government adopted as a blueprint for China's development. In doing so, under the infinitely more difficult Chinese conditions, it embarked on what is by all odds the most daring economic and political gamble of all time.

Mao, like Lenin, had based his revolution on the most dramatic promise that can be offered to any peasant people: "Down with the landlords. Land to the tiller." But when the time was ripe, Mao, like Stalin, did not hesitate to repudiate this promise and to press China's peasants into an economic and political system that had no place for private land ownership.

In 1954, after long, careful preparation, a program of complete rural collectivization was announced. By 1957 practically all Chinese rural families had been organized into 740,000 collectives.

Then, in 1958, Mao, as we have seen, went one giant step further. Henceforth all farm collectives, rural industry and local militia would be consolidated into communes. This was a step so breathtakingly radical and ruthless that even Stalin had not dared to attempt it.

The objective was the total mobilization of 500 million villagers into a massive human work force, the destruction of the family as a social unit and the substitution of a new disciplined loyalty to the Communist state.

Every able-bodied man and woman worker was assigned to the fields, to irrigation projects, to the small decentralized factories and blast furnaces. The organization was along military lines so that work squads, platoons, companies and battalions could be transformed overnight into military cadres.

Every hour of each individual's day was rigidly supervised. Children were to be brought up in common nurseries, workers fed in great central messhalls and the old and infirm assigned to what are described as "happiness homes."

Previous to its December 18 announcement of a slowdown in the organization of this fantastic program, the Peking Government had credited it with huge increases in agricultural production and rural development.

The 1958 cotton crop and the early rice crop are said to be double that of 1957. The wheat crop is up 67 percent. Hundreds of thousands of work teams laboring from dawn to dusk were reported to have opened up 69 million acres to new irrigation. This is fifty times the irrigated areas of America's biggest river project, Grand Coulee, and six times that of India's spectacular Bhakra-Nangal on the Sutlej River in the Punjab.

This, boasted Peking, is only the beginning of an irrigation program that will set the stage for further enormous increases in agricultural production in the next few years. Next on the development agenda is the harnessing of the wild, wasted waters of the Yangtze itself.

To what extent can we separate fact from propaganda? Does the December 18 announcement indicate that the system of tightly organized communes will be abandoned? Or does it suggest no more than a cautious pause for breath-catching in the

"great leap forward" toward the total regimentation of Chinese society?

No one can doubt that the 10,000-word announcement, which took 4 hours and 10 minutes to read over Radio Peking, indicates formidable opposition among China's 500,000,000 villagers.

Although it was stoutly maintained that there is to be no reversal in the program itself, some wage incentives were admitted to be necessary to encourage "labor enthusiasm." Fears that all private property was to be immediately surrendered must, it was said, be dispelled.

Every worker should be assured 8 hours' sleep, with 4 hours' freedom for relaxation and meals, leaving 12 hours for work and study except at times of harvest.

Henceforth communal mess halls and children's nurseries must be better run. Parents should be allowed to take their children home occasionally. In building "residential quarters," space should be provided "suited to the living together of men and women and the aged and young of each family."

Although this suggests that the Peking Government has run into difficulty, it would be wishful thinking to assume that a change of direction is in the making. The goals of the commune program have been sturdily re-emphasized. The stress is on the need for a somewhat slower pace to educate the laggards and to restrain certain overeager comrades.

The leaders of Communist China know that the success or failure of their efforts will be determined largely in the villages. Although the difficulties are admittedly great, they may argue persuasively that here at least they are far more experienced than were their Soviet counterparts.

The Russian Revolution was made by only 200,000 party members. They were mostly intellectuals and workers with their roots in the cities. Lenin's announcement of "all land to the tiller," skillfully timed to climax the revolutionary upheaval in Moscow and Leningrad, secured the cooperation of the Russian peasants. But they were never made to feel a part of the movement itself.

The Chinese Revolution, on the other hand, has always been deeply rooted in the villages. The 5 million party members who organized the countryside as a prelude to the advance of the Red armies have now grown to 13 million, and most of them are of peasant stock. Under the direction of this rural-oriented Communist leadership and subleadership, many of China's 1 million villages have already known two decades of evolving discipline.

Out of this intensive rural experience have evolved certain strong social and political appeals which have been tested and perfected under varying conditions. With these techniques the Communist leaders believe they can maintain a revolutionary enthusiasm which will carry China through this perilous period of development and create the capital for rapid industrialization.

In place of the uncertain but highly personal security rooted in close family relationships and ancient religious dogma, they have substituted a system that provides a dreary day-to-day sustenance in return for unswerving subservience to the will of the central government.

In place of the traditional economic incentive of increased consumer goods, they have substituted festivals, complete with booming brass gongs and sputtering firecrackers, dances, parades and mass condemnation of "enemies of the people."

Millions of official loudspeakers, supplemented by constant "study meetings," goad the people to greater effort, often by fanning the flames of external conflict. In this process the United States serves as a special target for vituperation unmatched even in this age of international mudslinging.

When the occasion calls for it, the Kremlin can muster thousands of angry demonstrators against the West. But the Peking government can produce millions, as the Middle East and Quemoy crises demonstrated.

"All of China boils with wrath," proclaimed Radio Peking when the U.S. Marines landed in Lebanon.

"I will send all my six sons to the front again," a ——— "democratic mother" is reported to have said.

"Americans take care," warned a scientist in Canton, "or you will have your brains bashed out."

In Fukien, the province directly across the Formosa Strait from the Nationalist-held island, the peasants are said to have "pledged themselves to outstrip last year's production as a concrete contribution to helping our army units liberate Formosa."

A successful revolution generates its own initial enthusiasm. Through the expert use of radio, the printed word and mass organization the Chinese Revolution has surpassed most others. But the Chinese Communist leaders face an infinitely greater task, and human nature being what it is, a diet of promises, parades and propaganda, no matter how skillfully administered, ultimately may prove inadequate.

What then can be said about Chinese claims of record-breaking crops already achieved through China's "4-year campaign of suffering to build a glorious future"?

Agricultural experts who know Asia best reject the 1958 production figures as substantially beyond agricultural experience anywhere in the world. Sizeable increases have undoubtedly been achieved, and more will follow.

But even with the most favorable weather and the near-total mobilization of human energies, food production in China, as elsewhere, faces certain harsh realities which cannot be exorcised by Communist slogans. The chief obstacle to the success of her effort is China's vast population, growing at the rate of 16 million souls each year and crowded into her enormous but limited land area.

The present average is less than 2 acres for each rural family. With the exception of a few western areas, most of China's readily arable land is now under intensive cultivation. New acreage even there can be brought under cultivation only at a very high cost.

The fact that the people are already living largely on rice, wheat, and vegetables means that there is little grain to be saved by reducing livestock consumption, as Stalin did. Furthermore, output per acre is already high. Long before China succumbed to communism the peasants were using better seeds, more abundant natural fertilizers, and more skilled planting and harvesting techniques than in almost any other underdeveloped country except Egypt.

Although Japanese output per acre has been almost twice as great, these levels appear beyond China's reach in the foreseeable future. Each Japanese peasant family has the incentive of working its own small farm. Equally important, the Japanese peasant can buy ample supplies of commercial fertilizers on easy credit.

If the Chinese peasants could match the Japanese use of nearly half a ton of fertilizer per acre annually, they could boost their output substantially. The massive Hwai and Yangtze River irrigation programs could increase it still further. But the building of a chemical industry that could provide fertilizer in any such quantity does not appear in the cards, even with substantial help from the U.S.S.R.

These, then, are the harsh social and economic realities of China's rural economy which must be considered side by side with Peiping's boasts of a steel industry that will

soon outproduce that of the United Kingdom, of endlessly expanding coal production, booming hydroelectric development, and fast-spreading new railroad systems.

If this extraordinary totalitarian experiment succeeds in spite of these obstacles, the world Communist movement will almost certainly be centered in a vital new China, with one-fourth the world's population on a rapidly developing industrial base. Unless there is an unforeseen change in Chinese attitudes toward the people of America and Europe such a development would be ominous.

But what is the most likely course of events in Asia if this breathtaking gamble fails to pay off? There are at least three possibilities on which we may speculate.

First, under such circumstances it is barely conceivable that the Peiping Government would modify its external policies and become gradually easier to live with. It is not essential that each country produce all its own food. Britain, the Netherlands, and Japan are among the many crowded nations with high living standards which import a major part of their food requirements. A more moderate Chinese leadership, confronted with increasing difficulty in feeding its people and eager for a period of peace, could trade its manufactured goods for rice and wheat grown elsewhere.

But such a change appears unlikely. The "New China" is driven by a doctrinaire nationalism, fiercely intent on economic self-sufficiency. As her leaders consider China's vast and rapidly growing population insecurely based on limited land resources, they may be expected to look beyond China's borders for new areas which can be brought under their control.

Second, a possible solution lies in the Soviet Union itself. With a population one-third that of China, the U.S.S.R. has twice her land area. In theory, a decision by the Kremlin to allow the comradely sharing of her eastern lands with Chinese colonizers would allow China's rapid industrialization to proceed on schedule. The resulting economic, political, and military colossus would include nearly one-third of the world's population. Stretching in one unbroken, tightly controlled Communist federation from Berlin to Canton, it offers a chilling prospect.

Fortunately, there are some formidable physical, nationalistic, and human obstacles in the way of its fulfillment. The limitations of climate and water, for instance, make Siberian agriculture a season-to-season gamble. An even greater barrier is the national pride and security of the Soviet Union itself. Economic and political integration on a scale sufficient to solve China's land hunger would be a giant step toward Chinese domination of the Soviet Union, the Communist movement, and, ultimately, of the world itself. The men in the Kremlin could scarcely be expected to welcome such a development.

Finally, there remains a third possibility. The Chinese Communist leaders may look increasingly toward Southeast Asia as the solution to their economic and political dilemma. In terms of China's long cultural history, most of this area is newly colonized land and relatively underdeveloped. It is also fertile land, blessed, by and large, with rich soil, ample rainfall, and a warm, year-round sun that normally assures two crops annually.

Although some areas, such as Java, are greatly overpopulated, nearby Sumatra could absorb 40 million to 50 million more people. Burma could support far more than its present population. So could the Philippines, South Vietnam, Cambodia, Laos, Thailand, and Malaya.

If the Chinese leadership decides further to increase its pressure into these lush lands

to the south, it will be a case of history repeating itself. Down through the centuries Chinese dynasties in their glittering imperial court in Peking sent their emissaries to demand tribute from southeast Asian princes.

In periods of aggressive strength, Chinese emperors sometimes sought to buttress this big-brother relationship both by extensive trade relations and military expeditions southward. Chinese influence was particularly strong in Vietnam, where Chinese-satellite states existed for centuries. If the Ming emperors in the mid-15th century had not pulled back from the beginnings of an unprecedented national program of naval and maritime expansion, southeast Asia might today be part of China.

Meanwhile, modern China appears already to be on the move. The Communist successors to the emperors of Peking are reasserting their traditional role in this area. Chinese trade to southeast Asia is being increased substantially. In 1949, Chinese exports were almost nonexistent. By 1955 they had risen to \$209 million. In 1958 they were \$309 million.

India's trade in southeast Asia has been cut nearly 40 percent by these new Chinese exports. Great Britain's has also been seriously hurt. Japanese goods are being undersold 10 to 15 percent in countries on which Tokyo has been counting as an essential market and source of raw materials.

Ironically, most Chinese exports into southeast Asia are the very consumer goods which the Peking Government denies its own people. A British bicycle in Kuala Lumpur costs \$35. The Chinese equivalent, which sells for \$70 in Peking—more than a year's average income—costs the Malaysians only \$14.

Although these exports fell abruptly early this year, it seems likely that the flow will again be resumed. Some observers speculate that the interruption was due to the need to meet overdue payments to the Soviet Government for heavy machinery delivered to China early in 1958.

At the same time, Peking has been stepping up its effort to win the political allegiance of the 13 million Chinese who live in the larger southeast Asian cities and who retain close cultural and linguistic ties with the Chinese heartland. Chinese maps, inherited, so Peking says, from Chiang Kai-shek, still proclaim Chinese sovereignty over sizable border sections of Burma, Bhutan, and India. Radio Peking regularly asserts Chinese superiority over all foreign barbarians.

Regardless of the success or failure of China's experiment in pure communism, it is apparent that an explosive new force is being generated in Asia which will exert increasing influence on the world power balance.

The means by which we can help blunt this force and lay the basis for orderly and peaceful relationships are beyond the scope of this article. A few brief observations, however, may be in order:

1. Communist China will be with us for the foreseeable future. It is wishful thinking to assume that it will vanish conveniently in a peasant uprising.

2. Although the entrance of this dynamic new element into the world stage creates profound difficulties for us, it also constitutes a potential threat to the Soviet Union. The ultimate effect on relations between Moscow and Peking is impossible to foresee.

3. In order to cope effectively with the challenge, we Americans sorely need a long-term perspective and long-term plans to go with it. These plans should be rooted in the realities of Asian attitudes, economics, politics, and geography. Expedient, crisis-to-crisis moves based on the illusion of American military omnipotence will almost certainly fail.

4. The principles and techniques which will work best in Southeast Asia should be fundamental to American policy throughout the underdeveloped continents. These may include a more careful selection of the men and women to represent us abroad, a revamped economic-aid program, less emphasis on regimes and more on people, some such device as a World Food Bank to distribute surplus food more effectively and a program to help stabilize the prices of raw materials.

5. Although most Southeastern Asian governments are frail and uncertain, they are increasingly aware of the danger of Chinese aggression and the brutality of Communist techniques. It is particularly reassuring that this awareness is spreading to India, which centuries ago provided the principal counterforce to Chinese expansion into Southeast Asia and may conceivably play this role in the future.

6. Once we begin to act positively within the economic and political framework of the American revolutionary tradition, we will elicit a heart-warming response from non-Communist peoples throughout the world.

In these next decisive years an awakened America, prepared to look the facts about modern Asia squarely in the face, can play a vital role in stopping the spread of communism without war. Thoughtful men in Asia, Africa, Latin America, and Europe fervently hope that we will play it.

Friends and Enemies—Book Review of Adlai Stevenson's Report on Russia

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Friday, April 17, 1959

Mr. HUMPHREY. Mr. President, in addition to my remarks on the article by Mr. Bowles I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a book review I was privileged to write on the book entitled "Friends and Enemies," written by Adlai Stevenson, the review being entitled "Stevenson on Russia: The Great Battle May Be Economic," published in the Washington Post and Times Herald of March 22, 1959.

There being no objection, the book review was ordered to be printed in the RECORD, as follows:

STEVENSON ON RUSSIA: THE GREAT BATTLE
MAY BE ECONOMIC

(Reviewed by HUBERT H. HUMPHREY)

(Senator HUMPHREY's own visit to Russia, and his interview with Khrushchev, made news last December.)

("Friends and Enemies: What I Learned in Russia," by Adlai Stevenson; Harper.)

Any report from Governor Stevenson of his visit to the Soviet Union is to be welcomed. This slim volume summarizing a series of articles which appeared immediately following Governor Stevenson's return to the United States should be must reading—especially for those of us with responsibility in the field of American foreign policy. I read the original articles with keen interest and am delighted that they are now available in this permanent form.

Mr. Stevenson's book stresses the warmth and friendliness of the Soviet people and the

startling paradox of the Soviet leaders who exhibit public wrath against the United States and private cordiality to visitors from America.

In his introduction, Mr. Stevenson raises some important questions: Why shouldn't we trade with the Soviets? Why shouldn't we help them to improve their living standards? The inferred answer is that a Soviet nation with a high living standard may be a more peacefully inclined power.

These questions also reflect his conviction that it is the economic battlefield that may well be decisive in the world struggle. He dramatically underlines the success of the Soviet economic-political offensive in the underdeveloped countries.

Russia, he says, has a great attraction for other poor nations, because as a poor nation it has pulled itself up by its own bootstraps. He points out that the Russian offensive in these decisive areas employs many techniques: cutting prices to get foreign exchange and to capture markets, bartering, purchasing commodities which other countries desperately want to sell, lending money at long-term, low-interest rates, and constructing industrial plants. And—this is important—providing technicians who speak the languages and live humbly like the local people.

Every thoughtful American should reflect on Governor Stevenson's conclusion that the West could go the way of the Athenian democracy in its long struggle with Sparta when an infinitely superior civilization went under, because it lacked the self-discipline to survive. Is the United States today, asks Stevenson, so preoccupied with the military struggle that we have forgotten the values upon which our country is founded?

Stevenson hopes that we will be willing to change our habits, our political behavior and to replace our complacency with a new sense of urgency. And, so do I. Stevenson's book should be of great help in convincing the leadership of America that the time is very late, the adversary is formidable, and things are not going to get better automatically. His wise and humane approach to the problems of foreign policy is a good example of what American leadership should be.

He believes, and I believe, that our leadership must learn more understanding of the deep human suffering and the vigorous human aspirations that underlie the social and political upheavals now rocking the world—as well as more understanding of the truly magnificent human and economic resources of our Nation which could be employed in more constructive and meaningful policies in the have-not areas in the world.

Tribute to the Late Barrow Lyons

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Friday, April 17, 1959

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement I have prepared in tribute to the late Barrow Lyons, who passed away on April 5 at his home.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

When Barrow Lyons passed away in his home at 3 a.m., April 5, the people of this

country and the Capitol Hill community lost a selfless crusader for humanity and democracy. He was an effective crusader without fanaticism, a fighter without hate.

A rounded man with interests in literature, music, and philosophy, Barrow Lyons in recent years devoted himself especially to the conservation of the natural resources of the United States. He believed unshakably that the natural resources of the United States should belong to all the people of this Nation rather than to a self-appointed few. His book, "Tomorrow's Birthright," published in 1955, remains one of the outstanding studies of the resource problem.

Mr. Lyons had a long and distinguished career as a newspaperman. He worked on such great dailies as the New York Times, the Christian Science Monitor, the Baltimore Sun, and many others. As a science reporter for the Associated Press, as financial editor of the New York World Telegram, as business editor of Newsweek, and as a writer for many other magazines, he brought to bear a scholarly interest in fact with the quick perception of the reporter and the ability to analyze and describe in crisp, concise prose.

In 1938 he came to Washington as a financial economist for the Securities and Exchange Commission to prepare a massive study of the financing of small business from the time of the Revolution to the present century. He served also with the Temporary National Economic Committee.

Later Mr. Lyons became an information specialist with the War Production Board. In 1944 he moved over to become the chief of information for the Bureau of Reclamation. It was in this position that his interest in and knowledge of "tomorrow's birthright" deepened. He retired from Government service in 1952, but continued to write voluminously on economic, political, and resource affairs.

Throughout his years in Washington, Barrow Lyons was well known to dozens of Senators and Congressmen, many of whom sought his advice. He was respected and liked by his newspaper colleagues. He was also known widely in the cooperative movement throughout the Nation. He was an active, effective member of many organizations, ranging from the Cosmos Club and the National Press Club to the National Grange, the Cooperative Forum, the Electric Consumers' Information Committee, and American Newspaper Guild.

Although he had been suffering from heart trouble for several years, Mr. Lyons remained always ready to lend his amazingly youthful vigor to a humane cause, large or small. Typically, during the last few weeks of his life, he was spearheading an effort to organize a memorial service for his friend, the late Tom Stokes, the renowned columnist who, like Mr. Lyons, was concerned over the depletion of our natural wealth.

The world has no shortage of cause supporters. It was Barrow Lyons' quiet distinction that he remained doggedly independent and courageous without bluster, bluff, or sham. He never let his interest in one goal blind him to the significance of others. Thus, although he is most closely identified with conservation and public power, Barrow Lyons also worked without fanfare for election reform, for aid to small business, for decent unionism. He never made a nickel out of his services; he never sought remuneration. He was sophisticated, but in 69 years he never grew cynical.

Beyond this, Barrow Lyons never grew inconsiderate of human beings because of a preoccupation with humanity. His generosity of spirit, his twinkling humor, his thoughtfulness, and his literal love for his fellow men affected—and bettered—all those who knew him. More than anything else, this is the birthright he leaves to tomorrow.